

20 Civ. 06274 (LAK)

United States District Court

for the

Southern District of New York

IN RE TRANSCARE CORPORATION, ET AL.

DEBTORS,

PATRIARCH PARTNERS AGENCY SERVICES, LLC, ET AL.

DEFENDANTS-APPELLANTS,

—against—

SALVATORE LAMONICA, AS CHAPTER 7 TRUSTEE OF THE JOINTLY-
ADMINISTERED ESTATES OF TRANSCARE CORPORATION, ET AL.,

PLAINTIFF-APPELLEE.

ON APPEAL FROM THE UNITED STATES BANKRUPTCY COURT FOR
THE SOUTHERN DISTRICT OF NEW YORK (BERNSTEIN, J.)

IN RE: TRANSCARE CORPORATION, ET AL., CASE NO. 16-10407 (SMB)

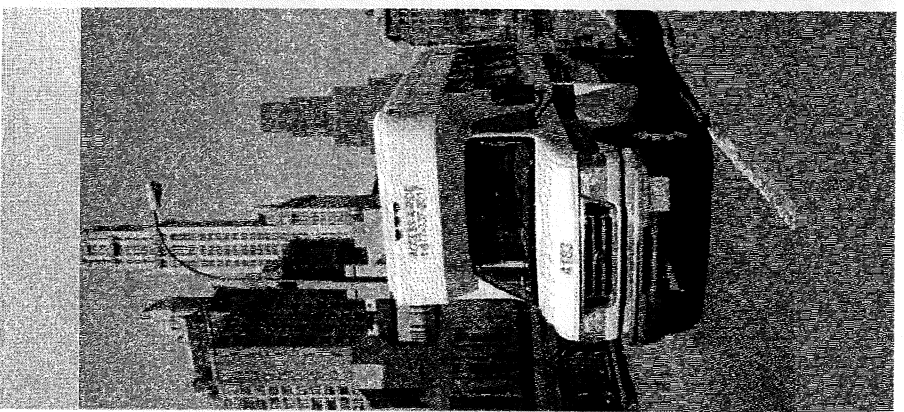
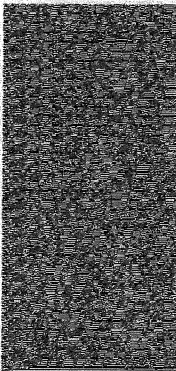
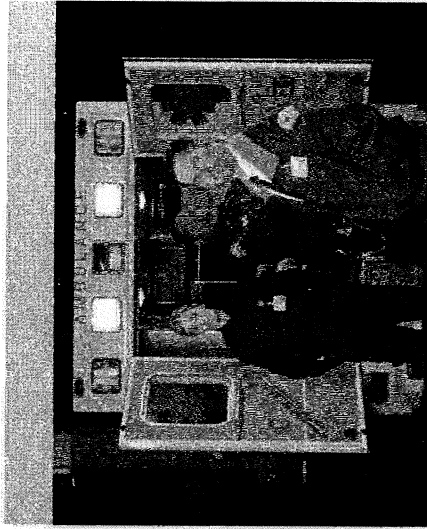
LAMONICA V. TILTON, ET AL., ADV. PROC. NO. 18-1021 (SMB)

APPENDIX TO BRIEF FOR THE APPELLANTS

Volume XIV- A3151-A3166

TT TRANS CARE

The driving force in health care




Original recovery plan

- Eliminate poorly performing contracts.
- Establish a no-miss revenue run rate at 130M\$
- Drive profitability of 8M\$ EBITDA on base line by:
 - Cutting direct costs and overheads by \$500K / month
 - Cutting corporate costs by \$200K / month.
 - Improve collection of old AR by 150K\$ / month
- Drive new customer acquisition to an upside profitability and use generated liquidity to rejuvenate fleet at the rate of 5 ambulances per month

Critical Liquidity Issue

- Company has poorly executed its defined recovery plan.
- Significantly more distressed and deteriorating situation.
- Payroll due 2/5 is requiring a \$1.9 million funding tomorrow
- Two paths to profitability presented here:
- Fast Path. 36% reduction in revenue, elimination of 1,460 jobs.
But longer path to rebuild the growth.
- Slower path. Needs \$6.7 million between now and April in emergency cash, an estimated \$8 million in infrastructure investment by July, but establishes a basis for faster growth

5



Cash Flow

TransCare Corporation
13 Week Cash Plan
 (000's Omitted)

Plan	Plan Week 2 2/6/15	Plan Week 3 2/13/15	Plan Week 4 2/20/15	Plan Week 5 2/27/15	Plan Week 6 3/6/15	Plan Week 7 3/13/15	Plan Week 8 3/20/15	Plan Week 9 3/27/15	Plan Week 10 4/3/15	Plan Week 11 4/10/15	Plan Week 12 4/17/15	Plan Week 13 4/24/15
TOTAL RECEIPTS	\$1,487	\$4,116	\$1,256	\$1,570	\$1,570	\$3,970	\$1,570	\$1,570	\$1,570	\$1,472	\$3,872	\$1,472
DISBURSEMENTS												
Total payroll & benefits	\$1,759	\$1,759	\$2,209	\$1,759	\$1,759	\$1,759	\$2,209	\$1,759	\$1,759	\$630	\$630	\$630
Insurance	\$55	\$522	\$972	\$877	\$113	\$648	\$241	\$287	\$209	\$195	\$445	\$61
Debt interest	\$39	\$27	\$-	\$-	\$405	\$27	\$-	\$-	\$400	\$27	\$-	\$-
Other disbursements												
Total other disbursements	\$683	\$306	\$529	\$207	\$280	\$251	\$261	\$246	\$239	\$224	\$314	\$182
TOTAL DISBURSEMENTS	\$2,535	\$2,613	\$3,710	\$2,843	\$2,558	\$2,684	\$2,710	\$2,291	\$2,606	\$1,076	\$1,389	\$873
CHANGE IN CASH	<u>\$ (1,048)</u>	<u>\$1,502</u>	<u>\$ (2,454)</u>	<u>\$ (1,273)</u>	<u>\$ (988)</u>	<u>\$1,286</u>	<u>\$ (1,141)</u>	<u>\$ (722)</u>	<u>\$ (1,036)</u>	<u>\$396</u>	<u>\$2,482</u>	<u>\$599</u>
NET AVAILABLE CASH	<u>\$ (1,871)</u>	<u>\$ (1,530)</u>	<u>\$ (3,394)</u>	<u>\$ (4,634)</u>	<u>\$ (5,454)</u>	<u>\$ (3,494)</u>	<u>\$ (3,648)</u>	<u>\$ (6,110)</u>	<u>\$ (6,683)</u>	<u>\$ (6,561)</u>	<u>\$ (2,099)</u>	<u>\$ (3,731)</u>



Fast Path to Profit

Segment	Amounts in Millions				Reliable ambulances needed
	Revenue	EBITDA	Headcount		
2014 Projection /Actual	\$131.1	\$0.3	0.3%	2,218	415
NYC EMS#	\$29.0	\$7.0	24.0%	83	55
MTA	\$27.0	\$3.7	13.7%	450	-
911/Hudson	\$12.0	\$0.8	6.3%	40	16
Pittsburgh	\$8.0	\$0.6	7.5%	150	50
Westchester	\$7.0	\$0.7	10.0%	20	9
Streamlined corporate	\$-	-\$3.0		15	-
Foundation business	\$83.0	\$9.7	11.7%	758	130
Delta	\$-48.1	\$9.4	-19.5%	-1,460	-285
	-37%	2,723%		-66%	-69%



Fast Path to Profit

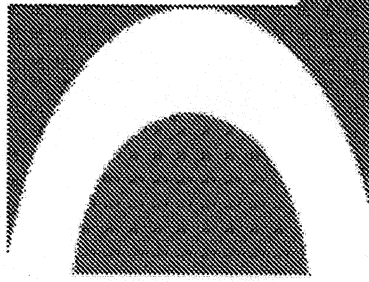
- Cut revenues by 36% and 1,460 employees.
- 90 day execution driven by WARN and contracts.
- Some potential contract add backs after re-pricing.
- Key point of risk:
- Wells Fargo credit line
- Communication to customers
- Eliminates community paramedicine programs

Fast Path to Profit

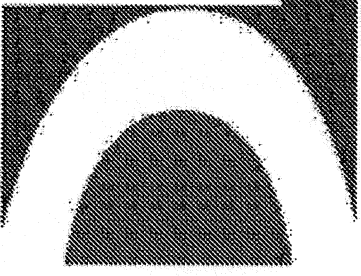
- Possible keeps (will know next week):
- Mount Sinai
- Montefiore
- Lutheran
- Lutheran billing
- Bronx Lebanon
- Maryland
- Special Event (may be viable if we stay in NYC)
- Definite cuts:
- Philadelphia
- Delaware
- Other New York clients

Slower Path to Profit

- Need \$6.7 million in emergency cash thru March
- Need an estimated \$8 million in infrastructure refresh
- Major process reengineering to improve operating effectiveness and timely reporting
- Need to change contracts and pricing
- Key point of risk:
- Immediate cash demand
- Interim results not yet quantified (week away)
- Secondary investment
- ROI predicated on future growth



T R A N S C A R E



T R A N S C A R E

t h e d r i v i n g f o r c e i n h e a l t h c a r e



